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Silverton Bridge Bank, N.A.
Client Bank Conference Call
Saturday, May 2, 2009

Edwin H. Lloyd

Good afternoon and welcome to this conference call! My name is Edwin Lloyd, and I am Special Assistant to the Ombudsman of the FDIC. I am here to launch this conference call being conducted by the FDIC for the client banks of Silverton Bank, N.A.

On behalf of Mr. Cottrell Webster, Director of the Office of the Ombudsman, I would like to introduce Mr. Rickey McCullough, Associate Ombudsman, who will be your moderator for the day.

We hope you will find this Client Bank Conference Call most informative. I will now turn this event over to our moderator Mr. Rickey McCullough.

Rickey McCullough
Associate Ombudsman

Thank you, Ed. And thank you all for joining us on short notice. As you know by now the FDIC has created a bridge bank to take over the operations of Silverton Bank, after the bank was closed yesterday by the Office of the Comptroller of the Currency.

Purpose of the Conference Call:

The purpose of this call is to share information. We thought it was important to share with you what we know as soon as possible.

Target Audience:

The target audience for today's call is client banks who use services of Silverton bank. However, we have also invited bank employees, State and Federal regulators.

Media Notice:

I have the following statement for anyone who is a member of the media. You've reached the FDIC's conference call for bankers regarding the failure of Silverton Bank, National Association. This is a call for clients of Silverton Bank and is not meant for the

media. If there are representatives of the press on this call, there should be no attribution or use of this information in any of your reporting. If you have any questions regarding media issues, please contact David Barr at (202) 898-6992 or dbarr@fdic.gov.

Call Format:

Today's conference call is one of the largest of its type ever conducted by the FDIC. In situations like these, the FDIC would normally conduct a town hall meeting where there would be a live exchange of questions and answers. However, due to the number of callers on the line today a town hall meeting is not feasible. In today's call, there will not be a live exchange of questions and answers.

Instead, questions may be emailed to us directly via the website link that was provided in the email notice; or through your Business Development Officers, your primary points of contact and through TBBCConnect. Each of you should have received a copy of our Question and Answer Guide along with your email notification. This document represents some of the most frequently asked questions. Following the panel's presentations, we will answer as many of your questions as possible. The questions that are not answered will be posted to the website, which will be updated twice a day starting today.

Agenda Review:

We will have an overview of the closing transaction which includes the bridge bank process, the role of the bridge bank CEO, operational and Federal Reserve processes and capital markets; a discussion of the disposition of assets and loans held by the FDIC and FDIC servicing procedures. After that we'll respond to questions submitted via the website and then have closing comments.

Speaking on today's panel are FDIC representatives;

Robert Schoppe – Receiver-in-Charge
Gayle Earls – CEO of the Bridge Bank
Brett Rawls – Sr Officer Silverton Bank
Joe Bush – Chief Financial Officer
Nancy Maginn – Capital Markets Manager
Larry Schannault – Post-closing Asset Manager

From the Federal Reserve

Patrick Barron, 1st Vice President and Chief Operating Officer

Also joining us today

Ron Bieker – FDIC Deputy Director, Division of Resolutions and Receiverships;

Mark Schmidt – FDIC Atlanta Regional Director Division of Supervision and Consumer Protection; and
FDIC Lead Attorney - Thad Fenton

Now I will turn it over to Receiver-in-Charge Robert Schoppe.

Robert Schoppe
Receiver-in-Charge

Good afternoon, I'm Robert Schoppe. I'm an Assistant Director for the Division of Resolutions and Receiverships. However, in this role I am the Receiver-in-Charge for Silverton Bank. I will also be one of the Executive Vice Presidents of the new Silverton Bridge Bank.

Let me first describe the three hats that FDIC is wearing. FDIC in its Corporate capacity has paid and transferred to the Bridge Bank all the insured deposits of the former bank except Brokered Deposits. FDIC as Receiver for Silverton Bank will retain most of the assets of the former bank and all Brokered Deposits. However, none of those Brokered Deposits belonged to our Client Banks. FDIC is also the stockholder of the new Bridge Bank. Throughout this conference call we will be making reference to those three capacities of FDIC.

Over the last month, a team of FDIC employees has been diligently working on a plan to ensure the Client Banks will continue to be able to conduct business in the event Silverton Bank closed. We attempted to find another correspondent bank to assume assets and liabilities of Silverton. When that was unsuccessful we moved on to plan B, which was to establish a Bridge Bank.

However, you should be aware that FDIC is continuing its efforts to market the bank. Specifically pre-existing marketing efforts to interested investor groups are continuing. This process should last about two to three weeks. Any future sale transactions will be conducted in a manner that ensures a smooth transition for Client Banks.

The establishment of the Bridge Bank may be unfamiliar to most of you, but we have structured a transaction which will cause no disruption to services.

One question you might have is; what is a Bridge Bank? FDIC has only used this tool a handful of times in our 75 years of existence. First of all, Silverton Bridge Bank is a new nationally charter financial institution. Its sole stockholder is the FDIC. Its Board of Directors is made up of Senior FDIC Officials.

Similar to most banks that fail, FDIC finds an Assuming Bank. In this instance, Silverton Bridge Bank is the Assuming Bank for the former Silverton Bank. The Bridge Bank has assumed all of your deposits formerly held by Silverton Bank and will perform the same services that its Client Banks have come to expect.

By its name itself you can tell we are bridging something. The three main items we are bridging are: 1. our client banks to a new correspondent relationship of their choice, 2. former Silverton employees hopefully to new jobs over the next few months, and finally, 3. the loans and business lines to the private sector. You will hear more about loans later from Larry Schannault, our Asset Manager.

While our client banks are reviewing new correspondent relationships, we are continuing to work on a separate option for you. As I mentioned earlier, we had attempted to structure a deal for what we call a Whole Bank Transaction, but were unable to find a buyer. There are two prospective purchasers who are continuing their due diligence.

So, we could still have a deal resembling a Whole Bank Transaction in the next two or three weeks. That could give you another option, which is keeping your correspondent relationship right where it is now. In other words we are working on a parallel track for you.

The Bridge Bank will remain open until the client banks have completed their transition or we sell the Bridge in the next few weeks. We have retained the employees of Silverton Bank and they will perform the same services as they did for Silverton Bank. The relationship manager who you, the Client Banks, worked with last week are the same employees that we want you to correspond with in the future and conduct your business with. They are the people who will assist you with what ever needs you may have.

Additionally, the FDIC has contracted with TIB -The Independent BankersBank to provide on-site management of the Bridge Bank operations so that our clients can be confident that the day-to-day operations will remain the high quality that you have come to expect. TIB is a well regarded bank, very familiar with Silverton Bank operations.

Let me now talk about the bank employees that you have been working with over the years. As I said, we have retained all of them and they will perform for you the same services that they have in the past. As they leave, we will move their responsibilities to another qualified employee and replace those that leave, as needed. TIB will assist us in filling vacancies from existing staff or hiring new employees where internal staff is unable to fill the vacancy. I can assure you that the operational side of Silverton Bridge Bank will remain functional and you will not be lacking experienced employees to work with.

Gayle Earls has agreed to serve as our CEO for a short period of time. I know many of you are familiar with him as he is well known to the banking industry. Mr. Earls has a 40 year career in banking. He held leadership roles at TIB - The Independent BankersBank including CEO, President, and then Vice Chairman from 1986 to 2006.

He served two, three-year terms as a director of the Federal Reserve Bank of Dallas. Finally, he is a former director of the Independent Community Bankers of

America where many of you on the phone worked with him. Mr. Earls has been working with us for the last few weeks and you will hear from him next.

To recap, we want to provide ample time for you to make a decision on your correspondent banking needs. We are attempting to sell the Bridge Bank to give you another option. During this transition period, I hope you will agree with me that retaining the Silverton staff of professional correspondent bankers, adding TIB to oversee the Bridge Bank and adding Mr. Earls as our CEO will give you the banking services that you have come to expect and allow you sufficient time to transition your correspondent banking needs to a new bank of your choice.

With that said, let me turn it over to Mr. Gayle Earls, the CEO for Silverton Bridge Bank.

Gayle Earls
CEO Silverton Bridge Bank

Good afternoon. Thank you for joining us. I am Gayle Earls and at the request of FDIC, I will be serving as the CEO of the Silverton Bridge Bank. As Rob said, I will be here for a short period of time, during the initial transition.

As some of you know, I was the CEO of TIB – The Independent Bankers Bank in Texas for 19 years. I had the good fortune of working with many of your organizations on several occasions over the years.

My role will be to assist in communications, keep abreast of the resolution process, and give advice on correspondent bank operations. Our goal is to continue the delivery of services on a “business as usual” basis. We are aware that your concern is the continuation of your ability to operate your bank without interruption. You can be assured that we will be able to continue supplying the services that Silverton provided to you and your customers.

I am very pleased that my first message to you, as CEO of Silverton Bridge Bank is that we have accomplished what FDIC set out to do. Friday we closed all systems in a business as usual manner systems processing is continuing as normal, and, Monday morning, Silverton will open with all operations fully functional.

A phone number and email address are being established at the Bridge Bank so that you will be able to contact me through the bank’s operators and FDIC’s 800 number set up for this bank. I will be available to speak to Client Banks and look forward to working with you.

In closing, I would like to pass along an observation. The personnel at the FDIC that I have been working with are putting forth a great effort to ensure this process goes as well as possible for all parties involved. I am confident that this transition will be a smooth one.

Now I would like to introduce Brett Rawls, Senior Officer of Silverton Bridge Bank.

Brett Rawls
Senior Officer of Silverton Bridge Bank

Good afternoon. My name is Brett Rawls. I have been a member of the Silverton Bank team since 2001. I am proud to continue being a part of this team today, serving as a Senior Officer with responsibility for Business Development and Regional Office Management.

Your participation on this afternoon's call signifies that you have been, and are, a valued customer of our Bank. I wanted to take the opportunity to Thank You on behalf of the entire Silverton Bank team for your loyalty, your business, and your friendship over the years.

Along with our colleagues from the FDIC our team is committed to operating our Bank's business as usual and assisting you through this important transition. It is significant to note that our team has remained intact and providing your bank exceptional customer service during this time continues to be a top priority.

As mentioned earlier the primary purpose of this call is to provide you with information and answer your questions regarding yesterday's announcement that Silverton Bank has been closed but will remain in place for the foreseeable future as Silverton Bridge Bank. In addition to today's call, please contact your Business Development Officer or other primary Silverton contact for assistance with any further questions or concerns. The FDIC has also created a call center to field additional questions. The toll-free number for the call center is listed at the top of the Question & Answer Guide on the FDIC website.

Again, we appreciate your business and have enjoyed the partnership forged with each of you over these many years. Now I would like to introduce Joe Bush, Chief Financial Officer of the Bridge Bank.

Joe Bush
Chief Financial Officer

Good afternoon, my name is Joe Bush. I'm a Financial Manager for the FDIC. I have been with the FDIC in various accounting roles for twenty-four years and during that time I have been involved in over 300 financial institution failures. My current assignment will be serving as the Chief Financial Officer and EVP of Silverton Bridge Bank, N.A. As Mr. Schoppe mentioned earlier and it bears repeating, our goal is to help client banks develop strategies to identify your options regarding the potential transition

of your banking relationship from Silverton to a new correspondent bank as effectively and efficiently as possible.

Correspondent Banking Services:

Silverton Bank provided account clearing and ACH services for 600 banks nationwide. Average daily wires total 4,000 transactions for \$1.4 billion. Silverton Bridge Bank, N.A has established a business relationship with the Federal Reserve Bank of Atlanta to ensure all clearings and settlements occur without interruption. The Bridge Bank, N.A has also established a line of credit with the FDIC to ensure that the liquidity of the Bridge Bank is not an issue. Although Silverton Bridge Bank will provide uninterrupted correspondent services, during this transition customers should begin the process of identifying options for your correspondent banking services.

TBBConnect:

As you know, TBBConnect is Silverton's browser-based electronic communications network, serving as the primary transaction processing system for their Client Banks. TBBConnect provides on-line access for the Client Bank to their Silverton Bank accounts as well as to many Federal Reserve Bank services. TBBConnect is secure and will continue to operate without interruption.

Fed Funds:

The former Silverton Bank terminated unsecured Federal Funds Purchased (FFP) held on their balance sheet effective April 28, 2009. Silverton Bridge Bank, N.A will not re-offer this product. Silverton Bridge Bank, N.A. will continue to accept fed funds into the agent program and place them according to your approved upstream banks.

Silverton Bridge will continue to sell Client Banks fed funds (Fed Fund line) to meet your bank's liquidity needs.

Participation Loans:

Silverton Bridge Bank, N.A. will continue to service loans and provide the downstream payments to participants using the Client Banks' clearing account. As Client Banks transition their banking services, the bank will need to provide updated clearing account information so that servicing of the loans remains uninterrupted.

As you can understand, the Bridge Bank will no longer sell participations on behalf of the Client Banks nor will Silverton Bridge Bank be a purchaser of loans from Client Banks. Larry Schannault will provide more information on participated loans.

Brokered CD Program:

Silverton Bank provided Client Banks a brokered certificates of deposit program enabling institutions to raise large deposits quickly at rates more favorable than they were paying in their current market. The Bridge Bank will continue to honor this program during the transition, but will not accept any new placements as the certificates of deposits mature.

Credit Card Services:

Silverton Bank offered a wide array of card services, including cardholder, merchant, prepaid and debit card programs. The Bridge Bank will continue to service the credit cards, including daily settlement for the Receivership. The Receivership anticipates selling the credit card business in its entirety and will provide uninterrupted service.

Client Bank Contacts:

As we have mentioned, the Bridge Bank will be retaining Silverton's staff and therefore your bank's normal points of contact for all operational services will continue. We know there will be unique situations that need to be dealt with on an exception basis. Please feel free to contact us via our toll-free number to discuss any concerns you may have.

Nancy Maginn Capital Markets

Good afternoon. I'm Nancy Maginn. My colleague Craig Rice and I are Senior Capital Markets Specialists with FDIC serving as functional managers in the Silverton's Capital Markets area.

Silverton's Capital Markets team has a tradition of customer-focused service, and we will be relying heavily on the team that is in place, along with the management and staff of TIB, the Bridge Bank's Operations Manager. As my colleagues have stated, we will work with you to accomplish an orderly transition of your relationships to new service providers, with a view towards the Bridge Bank exiting the business. We are still developing an understanding of Silverton's existing business, and over the next week we will have more specific answers to questions. In the mean time, I'll share some general information with you.

Trades and Settlement:

If securities trades have not yet settled, we expect to complete the settlement of those trades in the normal manner of delivery versus payment. At present we do not anticipate changes in the way trades are settled; if changes to normal procedures are required, affected customers will be contacted. We anticipate continuing riskless principal trades whereby the Client Bank provides us with either the cash to purchase securities or the securities to be sold prior to our completing the purchase or sale, as the

case may be. However, the Bridge Bank's willingness to continue to enter into these trades will decrease over time as part of the wind-down of the bank's business.

Bond Accounting and Safekeeping Services:

Silverton Bank provided bond accounting services for 350 banks and safekeeping services for 500 institutions. The Bridge Bank will retain the employees and the proprietary software to continue to provide straight through processing flow for bond transactions. Electronic reporting will continue without interruption. As the Client Banks develop a strategy to transition their Capital Markets business to another entity, the bond accounting services should also transfer with the corresponding bonds. Silverton Bridge Bank will continue to work with the Federal Reserve and Depository Trust Company (DTC), to transition your safekeeping transactions. We will observe Silverton's existing requirements for the transfer of book entry securities to new safekeeping agents, though given the large number of clients the bank does business with, we ask for your patience as we respond to transfer requests as quickly as possible in the order those requests are received.

International Services:

Silverton Bank provided a variety of international services to about 660 institutions. Because Silverton Bridge Bank has a limited life, the Capital Markets team and FDIC will work with the Client Banks to transition these services. The Bridge Bank will also continue to be a member of SWIFT, to provide secure messaging and complete wire transfers. Silverton Bridge Bank expects to complete the transactions in process, such as foreign wire transfers and foreign check collection, provide that completion of those transactions is consistent with the orderly wind down of the business. We will evaluate new requests for international services on a case-by-case basis during the interim while marketing efforts continue.

If you have further Capital Markets questions, I encourage you to email them to the mailbox set up to receive bankers' questions. We will post answers to the website promptly.

Thank you, and now I'd like to introduce Post-Closing Asset Manager Larry Schannault.

Larry Schannault
Asset Manager

Good afternoon, I am Larry Schannault, Post-Closing Asset Manager (PCAM) for the Receivership.

In this role I have been assigned the responsibility of managing all loan assets and other assets of the failed bank. The FDIC's role as Receiver is to maintain the value of these assets in order to return the loans and other assets to the private sector as quickly as possible. This process will include packaging the loans and offering them for sale. Typically the marketing process is completed within several months of the bank's failure.

Communication:

- Bank staff will be retained to assist the Receiver in working with borrowers and participants and will remain your point of contact for any questions or issues.
- We recognize many of you have loans and participations here. We will start calling all participants Monday morning. We anticipate completing the calls before the end of the week. If you feel that a situation requires immediate attention, please let us know by calling your regular Silverton business contact. If that is unsuccessful for any reason, please call the 800 number and advise them of the situation – they will ensure that your call and issue are directed to the appropriate contact.
- Our message will be the same for any borrower. Please continue to make your payments as scheduled. Also, the Receiver, is not a bank, you are strongly encouraged to seek a new lender that will refinance your loans and serve as a replacement source of funding.
- Written notice will be sent to all loan customers; this includes borrowers and participants. The letters will basically contain the same information being disseminated today and we will provide a Receiver point of contact by name, and provide a telephone number to contact this individual.

Funding:

Requests for additional funding will be addressed immediately. The Receiver will conduct a thorough analysis and may require additional information to perform its analysis and make a fact-based decision. This information can include current financial statements and recent tax returns from borrowers and guarantors, and third party reports such as feasibility studies, market analysis, and appraisals. All requests will be reviewed individually to determine the loan status, the reason for the advance, and whether the funding is in the best interest of the receivership. The Receiver will discuss funding decisions with participants.

Participated Loans:

The Receiver works with participant banks to identify resolution strategies for loans, including funding, restructure, settlement, and litigation. We will consider transferring Silverton's lead position to a participant bank. We will negotiate the sale of our position to a participant bank.

Bank Stock and Bank Holding Company Loans:

The Receiver recognizes the complexity surrounding Bank and Bank Holding Company loans. Each loan will be independently reviewed, and each borrower will be communicated with in order to determine the various options available to the borrower and the Receiver. The Receiver does not intend to package these loans for sale but will continue to manage them until resolution.

Credit Card Business:

The Receiver anticipates selling the credit card business in its entirety, all services and operational functions will continue uninterrupted. First Annapolis has been engaged to review the credit card portfolio and provide advisory services regarding valuation and the ongoing operations.

Moratorium on Legal Action:

Any current or pending legal action initiated by Silverton may be stayed for up to 90 days. During this time a review will be completed by our legal staff and by loan managers.

Rickey McCullough
Moderator

Thank you all. Now we will address some of the questions which have been submitted

Again, stay tuned to the website, which will be updated twice a day with answers to your questions, and you can also submit questions through your business development officers or your primary points of contact.

Please see the following link for the most recent Questions and Answers Guide:

www.fdic.gov/bank/individual/failed/silverton.html

Robert Schoppe
Receiver-in-Charge

As mentioned during this call, consistent with FDIC's normal resolution processes, we will be identifying strategies to maximize the value of the Silverton Bank. Specifically, pre-existing marketing efforts to interested investor groups will continue. This process should last about two to three weeks. Any future sale transactions will be conducted in a manner that ensures a smooth transition for Client Banks.

Each client relationship with Silverton is unique. We encourage Client Banks to assess available options and make a decision that is in the best interest of their bank.

With that, I thank everyone for calling in and I hope we have given you a clear view of the situation, answered most of your questions, and given you some comfort in arranging an orderly transition for your bank.